



Property Tax Relief for Minnesotans

Over the last ten years, property taxes have skyrocketed by 86%, placing a huge burden on the middle class. The governor's budget moves to lower property taxes, including increasing funding for local governments, increasing funding for the Renter's Credit and fully funding the current homeowner's property tax refund.

Delivering Property Tax Relief for the Middle Class

» **\$120 Million Increase in Aid to Cities and Counties.** The governor's budget increases Local Government Aid (LGA) by \$80 million and County Program Aid (CPA) by \$40 million annually. His budget also simplifies the distribution formula for aid to local governments, making the system more predictable and reliable.

» **Property Tax Relief for Renters.** The governor recommends providing more property tax relief to renters by increasing funding for the Renter's Property Tax Refund program. The governor's proposal would increase refunds for approximately 93% of the 334,000 renters currently filing for a refund. The average renter would see a \$57 increase.

A senior couple who rent with a yearly income of \$20,000 paying \$4,800 of rent a year (\$400 a month) would get \$156 more under the governor's plan.

Current Law	Gov. Proposal	Change
\$501	\$657	\$156

» **Sustain Full Funding for Current Homeowner's Property Tax Refund.** The governor recommends full funding for the Homeowner's Property Tax Refund program. The program assists low- to moderate-income homeowners whose income is low compared to their property taxes paid. Fully funding the current program will provide 410,000 homeowners with an average refund of \$830.

Background

The time for property tax relief is long overdue. Over the last decade, property taxes have gone up by nearly 86%, placing an undue burden on Minnesota homeowners and renters.

» **Property Taxpayers are Paying More.** In 1999, property taxes comprised 30% of all state and local taxes paid by Minnesota homeowners. By 2010, that share was 40% – meaning property owners are paying more in property taxes than any time since the early 1970s.

» **Aid to Local Governments Has Been Cut Dramatically.** Aid to local governments is one of the most effective tools in holding down property taxes. Since 2002, County Program Aid (CPA) has been cut by 37% and Local Government Aid (LGA) has been cut by 24%.